Revival of FACT Udyogmandal

2792. SHRI VAYALAR RAVI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the FACT Udyogmandal demanded help from Government for revival;

(b) if so, the steps taken to meet the demand of all concerned in this regard; and

(c) whether Government make a study to improve the performance the FACT?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A.K. PATEL): (a) to (c) The Fertilisers and Chemicals Travancore Limited (FACT) has submitted a proposal seeking inter-alia waiver of interest for a period of three years on Government loans taken for the ammonia replacement project and for rescheduling of the principal repaymnent. No decision has been made on the request of FACT so far.

However, Government have announced the revised rates of concession for decontrol phosphatic and potassic fertilizers, which recognises the nitrogen content for determining the level of concession, which would give the company a substantial relief.

उर्वरक संयंत्रों का आधुनिकीकरण

2793. **श्री गोपाल सिंह जी सोलंकी:** क्या रसायन और उर्वरक मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार नौवीं पंचवर्षीय योजना के दौरान कुछ उर्वरक संयंत्रों का आधुनिकीकरण करने का विचार रखती है और उसने निजी उपक्रमों के विस्तार हेतु कोई योजना भी बनाई है;

(ख) यदि हां, तो उक्त अवधि के दौरान आधुनिकी-
करण और विस्तार हेतु किन-किन संयंत्रों का पता लगाया है;

(ग) इन संयंत्रों के विस्तार और आधुनिकीकरण हेतु कुल कितनी धनराशि के निवेश का प्रस्ताव है; और

(घ) तत्संबंधी ब्यौरा क्या है?

रसायन और उर्वरक मंत्रालय में राज्य मंत्री (डा०ए० के० पटेल) : (क) से (घ) नौवीं पंचवर्षीय योजना में उर्वरक विभाग के प्रशासनिक में नियंत्रणाधीन सार्वजनिक क्षेत्र के उपक्रमों/सहकारी समितियों द्वारा मरम्मतों, नवीकरण, आधुनिकिकरण, विद्यमान संयंत्रों के विस्तार तथा नए उर्वरक संयंत्र स्थापित करने के लिए 11013.38 करोड़ रुपए का कुल परिव्यय मंजूर किया गया है। निवेश अनुमोदन हेतु, शक्तियों एवं प्रक्रियाओं के निर्धारित प्रत्यायोजन के अनुसार संबंधित सार्वजनिक क्षेत्र के उपक्रम/सहकारी समिति के निदेशक मण्डल अथवा सरकार द्वारा अलग-अलग योजनाओं को मंजूरी प्रदान की जाती है। वर्ष 1997-98, 1998-99 तथा 1999-2000 के लिए प्रस्तावित विभिन्न योजनाओं के ब्यौरे वर्ष 1999-2000 के लिए उर्वरक विभाग के निष्पादन बजट में उपलब्ध है जिनकी प्रतियों को संसद सदस्यों में परिचालित किया गया है।

जहां तक निजी क्षेत्र में उर्वरक संयंत्रों का संबंध है, आधुनिकीकरण/विस्तार के लिए निर्णय संबंधित कंपनी द्वारा लिए जाते है।

Demand and supply of fertilizers in the country

2794. SHRI PARAG CHALIHA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what are the details of steps being taken by Government to bridge the wide gap that separates demand and supply of chemical fertilizers in the country; and

(b) what are the targets and amount earmarked therefor in the Ninth Five Year Plan?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A. K. PATEL): (a) and (b) Of the three main nutrients required for various crops viz. nitrogen, phosphate and potash, the country is self-sufficient to the extent of about 85% in the case of nitrogen. There are no known commercially exploitable reserves of

potash in the country and also the indigenous rock phosphate supplies meet only 5-10% of the total requirement of P205. Thus the country may have to continue to depend on imports to meet the requirement of phosphatic and potassic fertilizers to bridge the gap between demand and domestic supply.

The fertilizer industry has adopted the following strategy to increase fertilizer production:—

(i) Retrofitting/Revamping of existing fertilizer plants.

(ii) Overcoming the constraints in the availability of natural gas by setting up naphtha based expansion projects and installing dual fuel/ feedstock facilities in the existing plants and projects under implementation; and

(iii) Setting up joint venture projects in countries having abundant and cheap raw material resources.

To encourage investment in the fertilizer sector and to reduce the cost of production, the following concessions are available to the fertilizer industry.

(i) Normally, no industrial licence is required for setting up a fertilizer plant.

(ii) Nominal basic customs duty on import of capital goods for setting up of new plants/modernisation of existing units.

(iii) Demand export benefits to indigeneous suppliers of goods to fertilizer projects provided such supplies are made under the procedure of international competitive bidding.

(iv) Nominal duty on import of fertilizer raw materials and intermediates.

(v) Reasonable return in investment to the entreprenurs under the Retention Price-Cum-Subsidy Scheme, at present applicable to urea.

(vi) Concession on decontrolled phosphatic and potassic fertilizers to promote the balanced use of nutrients.

The installed capacity as on 31.3.99 was 105.2 lakh M.T. of Nitrogen and 31.7 lakh M.T. of Phosphate. As per the Report of the Working Group on Fertilizers for the Ninth Five Year Plan (1997-98 to 2001-02) the demand for Nitrogen and Phosphate in the terminal year of the Ninth Plan (2001-02) with price correction in urea, is projected at 134 lakh tonnes of Nitrogen and 46.7 lakh tonnes of Phosphate. The details of major fertilizer projects under implementation in the country at present are given in the statement enclosed below.

An outlay of Rs. 1,1013.38 cr. has been earmarked in the Ninth Five Year Plan for the Public sector/Cooperative sector projects in fertilzier sector.

Statement

Details of Major Fertilizer projects under implementation in the country

Sr. No.	Name of the project, location and company/ cooperative	Estimated capital cost (Rs. Crore)	Addl. Production envisaged		Zeor date	Approved original date of comm-issioning	Status
			Product	Capacity (In Lakh MTPA)			
1.	Expansion project of IFFCO Kandla, Gujarat (Phase-II)	212.20	NPK DAP	3.70 2.27	22.1.97	22.10.99	The overall physical progress at the end of Jan., 99 was 87.76% against the target of 87.73%

Sr. No.	Name of the project, location and company/ cooperative	Estimated capital cost (Rs. Crore)	Addl. Production envisaged		Zeor date	Approved original date of commissioning	Status
			Product	Capacity (In Lakh MTPA)			
2.	Expansion project of Chambal Fertilizers and Chemicals Ltd.,Gadepan, (Ph-II), Rajasthan	1256.00	Urea	7.75	25.12.96	31.12.99	Implementation as per schedule
3.	Oswal Chemicals & Fertilizers Ltd., (New) Paradeep, Orissa	1832.00	DAP NPK NP	15.00 3.20 1.00	Sept., 97	Sept., 99	Implementation as per schedule
4.	Duncan Industries Ltd., (Expansion) Kanpur, U.P.	636.38	Urea	1.63	1.1.98	May, 2003	Implementation commenced
5.	Godavari Fertilizers & Chemicals Ltd. (GFCL) Kakinada, A.P.	99.13	DAP	2.8	5.1.98	31.12.01	Implementation as per schedule
6.	Hind Lever Chemicals Ltd., Haldia, West Bengal	88.31	DAP/ NPK	4.00	23.2.98	April, 99	Implementation as per schedule
7.	Revamp of Namrup Plants of Hindustan Fertilizers Corporation Ltd. (HFC), Namrup, Assam.	350.00	Urea	3.28	2.11.98	1.5.2001	The cumulative physical proress till Jan., 99, is 1%

Committee on drug pricing

2795. SHRI SURESH KALMADI: Will the Minister of CHEMICALS AND FERTILZIERS be pleased to state:

(a) whether it is a fact that Government have set up high powered Committees on drug pricing;

(b) if so, the names of members of the Committee; and

(c) what would be the exact functioning of these Committees?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILZERS (DR. A.K. PATEL): (a) A High Level Committee namely "Drug Price Control Review Committee" has been set up recently to look into the pricing aspect in the Pharmaceutical Industry. Memorandum constituting the Committee, the terms and conditions of the Committee etc. is given in the enclosed statement below.

Statement

Government of India
Ministry of Chemicals & Fertilizers
Department of Chemicals and Petrochemicals
No. 5(1)/98-PL.I
New Delhi, the 18 March, 1999

Mermorandum

It has been decided to constitute a Drug Price Control Review Committee to review the current drug price control mechanism and to suggest alternative models, if any with a view to reduce the rigours of price control where they have become counter productive. Accordingly, the following Committee is constituted:—

1. Secretary, Deptt. of C&PC	Chairman
2.Additional Secretary Ministry of Health & F.W.	Member
3. Dr. D.B. Gupta	Member
4. Dr. H. Khorakiwala	Member
5. Dr. Rakesh Mohan	Member
6. Dr.Amit Mitra	Member
7. Joint Secrtary (PI)	Member
8. Chairman NPPA	Member